



201300030

January 2, 2013

MOTION

WE MOVE that the Administration, in consultation with the Port of Greater Cincinnati Development Authority and any other essential agencies, as applicable, prepare a report listing and providing a detailed description of all currently vacant city-owned and "lienable" properties, and outlining the feasibility, process, and potential return on investment of making these properties available for purchase by small businesses located within the City of Cincinnati.

WE FURTHER MOVE that the program process includes the following two features:

- Properties should be sold at a nominal or greatly reduced cost (\$1 and/or only the amount necessary to recover fees associated with the City taking ownership of a "lienable" property) to encourage small businesses to take advantage of the program; and
- The new owner must develop or renovate the property to a specific standard (e.g., at least the average value of properties in the surrounding community) within a specific time frame or the property will revert back to City ownership.

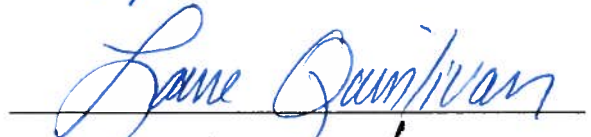

Councilmember Yvette Simpson

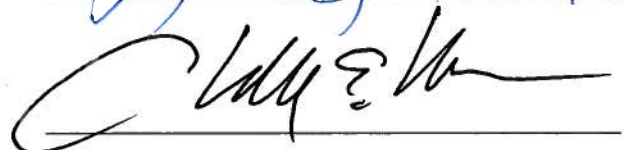












Statement

The City currently owns or has rights to a large number of vacant properties and buildings. These unused properties drain city resources because the City must maintain and provide security for the properties. They are not currently providing any benefit to the City or its residents, and are a physical blight on the community.

The Sale of City-Owned Property in Other U.S. Cities

Other cities have implemented programs to sell city-owned property at reduced-market rates to serve various community and public purposes. The City of Chicago's Department of Housing and Economic Development facilitates the sale of city-owned property to developers demonstrating experience in and financial ability to both purchase and redevelop the property. If the proposed project meets the community's redevelopment goals and provides a tangible benefit to the community, the property will be sold below the appraised value. In addition, if the redevelopment project serves a public purpose, Chicago offers financial assistance through tax increment financing and façade rebates.

In Trenton, New Jersey, the city periodically holds public auctions for the sale of city-owned properties. In addition, Trenton sells properties for a nominal fee to non-profit organizations within a "redevelopment area" outside of the auction process.

The City of Syracuse, New York, accepts applications for the purchase and redevelopment of city-owned or tax-foreclosable properties. The proposals must include redevelopment plans, proof of financing, and a description of how the redevelopment will benefit the surrounding neighborhood. Most properties will be sold for the appraised value, but there are two programs allowing the City to sell vacant lots or residential structures to non-profits for \$1.00, provided the organization rehabilitates or builds a residential structure on the site.

Cincinnati's Sale of City-Owned Properties

Although Cincinnati does not have the funding to develop these properties, they are untapped resources that can be utilized and turned into functional spaces by the community. Providing these properties to small businesses for a nominal fee would provide permanent locations for these businesses to grow, and allow them to use their limited resources for necessary property improvements and other business investments.

The community surrounding these properties would also benefit from the addition of new small businesses into the community. The establishment and growth of new small businesses will help create jobs. In addition, occupancy of these previously vacant properties will deter loitering and crime, and community blight will be reduced because of the new owners' responsibility for improvements to and maintenance of the properties.

Implementing this program in the City of Cincinnati could reduce costs to the city, improve neighborhoods, and help small businesses. While these properties should be sold at a reduced cost to encourage small businesses to take advantage of the program, the new owners should be required to develop the property within a specific time frame or else the property will revert back to city ownership. This term is included in many of the city's private property sales and economic deals, and it is an important element of this proposed program.